

IDAHO STATE TAX COMMISSION

COMMISSIONERS' OPEN MEETING MINUTES OF MEETING AUGUST 3, 2016

In attendance: Commissioners Ken A. Roberts, Richard W. Jackson, and Elliot S. Werk; Mike Chakarun, Debbie Coulson, Renee Eymann, Steve Fiscus, James Pendergrass, Chuck Pond, Glenda Smith, Phil Skinner, Mike Teller, Randy Tilley, Doreen Warren, Adrienne Yates; Cynthia Adrian, Alan Dornfest, George Brown, Becky Ihli, Erick Shaner, David Young; Margaret Mort and Jim Powell.

Guest: Kay Christensen and Miguel Legarreta.

Public Session.

Commissioner Rich Jackson convened the open meeting and welcomed all those in attendance.

Chairman Jackson welcomed the guest: Kay Christensen, Division Chief, Attorney General's Office of Contracts and Administrative Law, Miguel Legarreta, President of Associated Taxpayers of Idaho

Presentation of Certificates of Service.

James Pendergrass, Performance Development Specialist, in the absence of Roxanne Lopez, Human Resource Officer, acknowledged the employees receiving a Certificate of Service. James stated how much their combined total of 95 years of state service was appreciated. The Certificate of Service recipients in attendance were: Margaret Mort, Technical Records Specialist 1, Revenue Operations Division – 20 years, along with a thank-you letter from the Governor; Jim Powell, Senior Tax Appraiser, Property Tax Division – 25 years, along with a thank-you letter from the Governor.

The Certificate of Service recipients not in attendance were: Joel Fadel, Tax Compliance Officer 1, Collection Division - 5 years; Kim Nielsen, Tax Compliance Officer 2, Twin Falls Field Office – 5 years; and Ilona Rowan, Web Design Specialist, Revenue Operations Division – 40 years and a thank-you letter from the Governor. They will receive their certificates at a later time.

The Commissioners expressed their congratulations to all the recipients and fellow employees who came out to support them, and how much they appreciate all their hard work.

Business Requiring Vote of the Commission.

Minutes: Open Meetings – July 6, 2016.

Commissioner Ken Roberts moved that the minutes of the open meetings held on July 6, 2016, be approved. Commissioner Elliot Werk seconded. There were no comments or amendments. All voted in the affirmative and the minutes of the open meetings held on July 6, 2016, were approved.

There was no more business requiring a vote of the Commission.

Resolution 16-03 2017 Property Tax Reduction Brackets

Pam Waters presented the recommendation to approve Resolution 16-03 the 2017 Property Tax Reduction Brackets, requesting the total amount be rounded up to a whole dollar amount instead of the uneven total amount in the report. Commissioner Roberts moved that Resolution 16-03 the 2017 Property Tax Reduction Brackets be adopted, and Commissioner Werk seconded. There were no comments or questions. Commissioner Werk noted and requested an amendment to the second paragraph as follows: change “federal poverty lines” to federal poverty guidelines. Commissioner Roberts moved the amended Resolution 16-3, Commissioner Werk seconded. All voted in the affirmative and Resolution 16-03 the 2017 Property Tax Reduction Brackets was adopted.

Administrative Reports.

Management Services, Mark Poppler.

Mark Poppler, Financial Officer, reported on last week’s picnic and the success of the event. Thanked those who chaired the event and the ELT group who help with the baskets. Mr. Poppler also expressed appreciation for all personnel in management services and their hard work during the summer, since this is their busiest time of the year getting ready for CAFR, prepping for the fiscal year budget and the LSO auditors. Commissioner Jackson noted that there were around 225 personnel there and far greater than past events. He also expressed congratulations and appreciation for those who worked on the event.

There were no more questions.

Revenue Operations, Justine Weaver.

Commissioner Jackson introduced Justine Weaver as the acting Revenue Operations Manager. Mrs. Weaver had no report at this time.

There were no questions.

Tax Appeals Manager, Mike Chakarun.

Mike Chakarun, Tax Appeals Manager reported on the status of cases ending in July. With 39 cases closed with an average age of 507 days. Mr. Chakarun elaborated on the meaning of closed case and the life cycle of an appeal case. Ended July with 425 cases in inventory and an average age of 379 days, compared to the end of June with 425 cases an average age of 385 days. The seventh appeals staff specialist will start on August 29.

There were no questions.

There were no more administrative reports.

Reports on Rules Committees.

Income Tax Rules Committee Chair, Cynthia Adrian.

Cynthia Adrian, Income Tax Rules Committee Chair, reported the Income Tax Rules Committee held a negotiated rulemaking meeting on July 21, 2016, to discuss the Multistate Tax Commission’s (MTC) July 29, 2015, amendments to the financial institution formula. After receiving feedback from the Idaho Banker’s Association, the committee decided to delay any changes to the income tax rules for now. We are waiting for additional input from the Idaho Banker’s Association before proceeding with any changes. Commissioner Jackson commented that the MTC has already passed most of the changes, but there is an executive meeting planned between now and October to decide the rest.

There were no more questions.

Sales & Use Tax Administrative Rules – Interim Committee Chair, Doug Harrie.

Randy Tilley, Audit Division Administrator, on behalf of Doug Harrie, Sales and Use Tax Administrative Rules Interim Committee Chair, reported on the meeting, held Tuesday, July 19, 2016, at 9:00 a.m. The progress on Rule 37 aircraft and flying services which was modified to implement HR540 with regard to the exemption for fixed-wing aircraft use for wildfire services. Ms. Warren noted that Mr. Harrie's service as chair will end soon and the new Sales and Use Tax Policy Specialist will start soon.

There were no more questions.

Property Tax Rules – Committee Chair, Alan Dornfest.

Alan Dornfest, Property Tax Rules Committee Chair, reported on the progress from the last meeting on Thursday, July 21, 2016. All 12 rules are completed and will be published in the September bulletin. The unofficial rules book is scheduled to be finished and ready by the assessors' conference on August 22, 2016. Steve Fiscus asked which Urban Renewal Agency has not replied to our questionnaire in accordance with Rule 804 Urban Renewal. Alan replied that one hasn't responded and that there have been attempts to communicate with no response to date. The committee will continue to communicate and keep lines of communication open.

There were no more questions.

There were no more rules committee reports.

Other Business.

Steve Fiscus noted that he had no report but sent comparable(s) to review abstracts for the Board of Equalization (BOE). Commissioner Jackson noted that BOE convenes next week.

Public Comments.

Commissioner Rich Jackson asked if the guests in attendance had any comments.

There were no public comments.

Executive Session.

Commissioner Werk moved to go into the Executive Session with its legal counsel pursuant to Idaho Code § 74-206(1)(f) to discuss the current status of litigation to which the Commission is a party, in addition to discuss matters which are exempt pursuant to Idaho Code § 74-206(1)(b). Chairman Roberts seconded. A roll call vote was taken by Adrienne Yates, Administrative Assistant. Commissioners Roberts, Jackson, and Werk all voted in favor and the motion passed.

The Commission met in executive session with its legal counsel pursuant to Idaho Code § 74-206(1)(f) to discuss the current status of litigation to which the Commission is a party, in addition to discuss matters which are exempt pursuant to Idaho Code § 74-206(1)(b). No matters requiring a vote of the Commission resulted from the executive session.

Public Session.

Commissioner Rich Jackson declared the Executive Session ended and returned to the public session.

There being no further business, the meeting adjourned.

Adrienne Yates

Rich Jackson